



10 minutes on...

**2024 Executive remuneration trends:
Innovation inertia – is it time for change?**



December 2025

Innovation inertia: Is it time for change?



2024 Remuneration Highlights

There was limited significant change in remuneration structures in the ASX100 in FY24, potentially raising the question of: **Do Australian companies face increased risks where remuneration frameworks stay stagnant?**

Of CEOs and Executives who received an increase to fixed pay, the median increase for both CEO and Executive cohorts were within expected ranges with **CEO's receiving a 4.5% increase** (FY23: 4.2%) and **Executive's receiving a 4.3% increase** (FY23: 5.2%).

More same incumbent CEOs received fixed pay increases this year (72%) when compared with last year (61%), however the number of Executives who received an increase remained stable at 69% across both years.

The trend of median STI outcomes being around target continued, with median **STI outcomes for CEOs being slightly higher than the prior year at 99%** (vs. 98% in FY23) but **slightly lower for Executives at 91%** (vs. 95% in FY23).

Median LTI **vesting outcomes decreased to 63% for both CEOs and Executives** (vs. 72% in FY23) and less CEOs and Executives experienced full LTI vesting in FY24 at 22% (vs. 27% in FY23).



Innovation inertia: Is it time for change? (cont.)

More of the same, but should it be different?

The FY2024 Executive Remuneration data illuminates while there may be some variation year-on-year in terms of remuneration design and outcomes across the ASX 100, this variation has become increasingly narrow, and the underpinning remuneration frameworks of many ASX 100 companies (with some exceptions) has become increasingly homogenised over the years. It is in the context of limited change, we ask ourselves—is this a good thing?

We acknowledge that the Australian market has become increasingly complex to navigate for Boards making decisions with respect to executive remuneration. The ‘two strikes’ rule potentially overhangs each remuneration decision, there is increasing regulation and complexity (particularly for the Financial Services Industry), calls for greater transparency with respect to the amount of information that should be disclosed and the debate on ‘good’ vs ‘bad’ decisions overcrowded with a myriad of stakeholders all with differing views, perspectives and sometimes agendas.

While recognising this increasingly complex environment Boards must navigate, which is also potentially driving the limited evolution within ASX 100 remuneration practices, we reflect on the megatrends that are continuing to reshape our world with 2024 no exception—with instances of continued focus and calls to action in relation to i) climate change ii) technological disruption iii) demographic shifts iv) fracturing world economics and v) social instability¹. As outlined in PwC’s Megatrends (September 2024):

“ Businesses, on the other hand, will see their legacy ways of creating value become unsustainable while many new growth opportunities will appear. Organisations in every industry and every country will need to reinvent their business models, while managing the many new risks that come their way and building trust with a larger number of stakeholders around a broader range of topics. ”

If the legacy ways of creating value are becoming unsustainable, and companies need to both see and seize on the new growth opportunities presented—are executive remuneration frameworks being developed that reward (or at least do not hinder) executive teams to think outside the box and/or be responsive to this changing environment, or could this homogenisation be stifling innovation and therefore potential value creation?

1: <https://www.pwc.com/gx/en/issues/assets/pdf/pwc-megatrends-september-2024.pdf>

Innovation inertia: Is it time for change? (cont.)

In our view, Boards should be considering

What are the risks associated with our remuneration practices staying stagnant?

- This may be considered both from a company-specific lens, but also an Australian talent market perspective—do our practices have what it takes to attract global top talent to drive innovation and growth in Australia?

If we focus our executive team on 1 and 3-year time horizons (by tying incentive payments to these) are we limiting thinking both within these timeframes by articulating goals that might become irrelevant during the period, but also beyond this?

- If so, how could this be re-imagined?

If we want our framework to attract and retain talent, are we sufficiently differentiating ourselves through our reward offering (or do we simply look the same as others)?

- From a remuneration perspective, what do we want to be ‘known’ for, and is this the case?

What can we learn from other global jurisdictions in terms of remuneration design and practices that may not be within Australian ‘market-norms’, but enable us to better differentiate our offering to more effectively attract and retain talent?

- What are the risks of adopting practices outside of Australian ‘market-norms’, and are we prepared to take these on?



The answer to these questions for each Board, and indeed each Non-Executive Director, are likely to be different. And that is a good thing. In our view, it is time for the ‘status quo’ of remuneration practices in Australia to be challenged to ensure that a lack of innovation and change within executive remuneration frameworks does not unintentionally translate to a lack of innovation and change within business—as innovation is a key to unlocking growth and change is... inevitable.

PwC’s Annual Global CEO Survey 2025



“ Compared with their global peers, Australia’s CEOs feel more confident about their organisation’s future with 74% believing their business will be economically viable for more than 10 years if they continue down their current path (vs. 55% of global CEOs).

There is evidence that Australia’s CEOs are shifting mindsets and beginning to recognise the size and urgency of the reinvention imperative, but at a much lower rate. ”

1: <https://www.pwc.com/gx/en/issues/assets/pdf/pwc-megatrends-september-2024.pdf>

How can we help?

To have a deeper discussion,
please contact your PwC specialist

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